
***EFT PILOT PROJECT DESIGN
FOR NEBRASKA***

***THE IOWA-NEBRASKA ELECTRONIC
FUNDS TRANSFER PROJECT***

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Exhibit C

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SECTION I.

OVERVIEW

Receipting and disbursing child support payments is a major activity in courts and child support enforcement offices across the country. The traditional approach to this process is to receive paper checks from obligors, record the payments, and send paper checks to obligees. In light of the growing availability and use of electronic funds transfer technologies, the traditional approaches to handling paper checks may be unnecessarily costly to child support agencies and courts. The exclusive use of paper checks may also unnecessarily delay movement of payments from obligors to obligees who need those funds to pay for their children's expenses.

This report is a part of the Iowa-Nebraska Electronic Funds Transfer Project. The purpose of the project is to explore the possibilities of using electronic funds transfer (EFT) technology and applications to increase the speed and efficiency with which child support payments reach obligees. Earlier reports produced as a part of this project gave an introduction to EFT technologies and their potential applications to child support collection and distribution. Other reports provided a detailed description of the current receipting and disbursing procedures. This report furthers that purpose by prescribing a design for a pilot project to test and evaluate the cost effectiveness of the electronic funds transfer applications identified as having potential for improving payments handling.

This pilot project design report includes functional specifications for the systems necessary to accommodate the selected EFT applications. The report also includes a workplan outlining the steps necessary to implement the applications and, finally, describes the costs and benefits anticipated from their implementation and operation. Sample authorization forms for use in the project were included in an earlier report.

The processes included in this pilot project design include the following EFT applications to child support collection and distribution:

Direct Deposit of Income Withholding. A growing percentage of child support payments are being made in the form of income withheld from employee's paychecks. Currently employers send a single check each pay period to the Douglas County Clerk of the District Court (Clerk) for all obligors/employees for whom they are required to withhold child support payments. If there is more than one obligor involved, the employer sends a list of the obligors and the amounts of child support being remitted for each obligor with the single check to the receipting entity.

This application of EFT technology for the income withholding process utilizes employers' existing systems for direct deposit of payroll to submit child support payments. The process would require the employer to add an additional payment account number into the payroll system used to handle direct deposits. Each time payroll was processed, an ACH file would be created by the employer as it normally is for the direct deposit process. The employer's financial institution would initiate an ACH transmission that would result in a credit to the Clerk's account. The Clerk's office would be advised of the credit for each obligor on a daily statement or by electronic data transmission.

For the employer, direct deposit eliminates the time and expense of preparing and sending a check and its associated payment listing to the Clerk's office. Direct deposit would also speed the deposit process and reduce the workload for the Clerk's office staff.

Automatic Withdrawal from Obligor Checking Accounts. In this EFT application, the Clerk's office would daily transmit a computer file through the bank to effect the transfer of funds from the relevant obligor's account to the Clerk's account. When the new receipting system is operational, the same computer file could be used to automatically update the obligor's payment records, making manual entry of the receipt unnecessary.

Another important benefit of this process is the reduced manual effort in processing incoming paper checks. The obligor also benefits by not having to take the time or expense to mail a check. Obligees benefit by receiving child support faster and more regularly.

Charges to Obligor Credit Card Accounts. Accepting credit card payments from obligors has as its primary advantage the ability to offer obligors another means of remittance that may increase the likelihood of consistent payment.

For walk-in payments, the credit card would be swiped through a POS terminal in order to gain authorization from the credit card processor for the charge. For prearranged periodic charges, the Clerk's office would periodically submit to the processor or bank either an electronic file of accounts or individual transactions for credit card charges. Similar to automatic withdrawals, the Clerk's deposit account would reflect the payments received within a few days after the data transmission was created.

Additional features and options for each of these EFT applications for child support collection and distribution are described in the systems specification section. More information on costs and benefits is provided in the cost benefit summary section.

SECTION II.

SYSTEM SPECIFICATIONS

INTRODUCTION

This document provides functional specifications for the systems necessary to implement EFT applications for child support collection and distribution in the state of Nebraska. It provides a high-level description of the functional requirements of new systems to be designed or purchased as well as of necessary modifications to existing systems.

It is anticipated that more detailed design documents would follow this document before programming was begun. This document is intended to provide sufficient background to allow a systems analyst to move forward with general design and detail design phases with little additional orientation. Additional description of the project and current child support collection procedures have been included to meet this aim.

As outlined in the document, some choices remain in deciding exactly how the system should be implemented. Some choices are a matter of service policy while others are a matter of cost. Still other choices depend on the capabilities of the service provider chosen for processing the ACH and credit card transactions and the capabilities of the financial institution receiving direct deposits from employers.

DIRECT DEPOSIT OF EMPLOYER INCOME WITHHOLDING

GENERAL INFORMATION

Nature of the System

A growing percentage of child support payments are being made in the form of income withheld from employee's paychecks. Currently employers typically submit a single check each pay period for all obligors/employees for whom they are required to withhold child support payments. If there is more than one obligor involved, the employer sends a list of the obligors and the amounts of child support being remitted for each obligor with the single check to the receipting entity. The process of receipting income withholding payments for multiple obligors is a very labor intensive process.

This system would utilize existing employers' systems for direct deposit of payroll to submit child support payments to the Douglas County Clerk of the District Court (hereafter referred to as the Clerk).

Environment

Iowa and Nebraska are being used as case studies to assess the applicability of EFT technologies to child support. This document is sponsored by the Iowa-Nebraska Electronic Funds Transfer Project.

OVERVIEW

Purpose and Scope of the System

Income withholding refers to an obligor's earnings being withheld by his/her employer and sent to the Clerk's office as a child support payment. Income withholding is required by federal law for IV-D cases in arrears in an amount equal or exceeding the support payable for one month. In addition to those obligors required by law to pay through income withholding, a few additional obligors voluntarily pay through income withholding.

This application of EFT technology in the income withholding process utilizes employers' existing systems for direct deposit of payroll to submit child support payments. The process would require the employer to add an additional payment account number into the payroll system used to handle direct deposits. Each time payroll was processed, an ACH file would be created by the employer as it normally is for the direct deposit process. The employer's financial institution would initiate an ACH transmission that would result in a credit to the account of the Clerk's office. The Clerk's office would become aware of the credit for each obligor on a daily statement or by electronic data transmission.

Employers have multiple methods of creating an ACH record for child support payments. Many will use a standard payroll direct deposit system that distributes the employee's pay into multiple deposit accounts by ACH transmission. Others may create a special deduction system that deducts the amount from the employee's pay and creates an ACH record to deposit the funds into the CSC's deposit account.

The scope of this document is to define the necessary processes that would need to be implemented by the Clerk's office in order to receive a payment through the ACH system. This document assumes that the employer will create an ACH record by whatever means is most practical and only addresses the methods of receipting the payments into the Child Support collection System utilized by the Clerk's office.

This document describes the functional specifications for a pilot system to be implemented in Douglas County which is currently implementing a new system to process child support payments. There is no need, then, to address any automated interface to the existing collection system. The system described in this document will be a stand-alone system with manual updating of the existing system. Automated updating of the new system can be analyzed once the new system is operational. Additional project funding may be required for these modifications.

Performance Objectives

Employers:

Direct deposit eliminates the time and expense of preparing and sending a check to the Clerk's office. Similarly, direct deposit eliminates the time and expense of preparing and sending to the County Clerk's office a listing of employees for whom the payment should be applied. Once the employee's child support payment is set up on the payroll system, the employer need take no further action unless the child support amount is modified.

Clerk's office:

Direct deposit payments would be credited to the Clerk's office's account precisely on the payroll date avoiding the current five days or so that elapse while the employer's payroll personnel prepare the list of employees, write the check and send the payment through the mail to the Clerk's office. Automatically depositing these funds would also save the staff time required to physically deposit these items. The process of key-entering the account number and receipt amount into the collection system may still be needed. It may be possible for the Clerk's office to receive deposit information in an electronic format from the financial institution, but this cannot be used to update this information until the new system has been implemented.

Existing Methods and Procedures

Currently for income withholding cases, employers withhold funds from employee paychecks and remit the funds to the Clerk's office each pay period, or at least once per month, as required by the court order. Most employers send a single check with a listing of amounts to be applied for each employee. This is usually a manual process on the part of the employer performed a few days after the end of the pay period; employers are required to make payment within ten days after the payroll date. The Clerk's office must then key-enter these items into the existing child support collection system.

Proposed Methods and Procedures

For each employee on income withholding, the employer (or their payroll processor) would enter an additional payment account number into the payroll system used to handle direct deposits. Many employers who have direct deposit systems have the ability to make deposits into more than one account for each employee. The added account number would be that of the Clerk's office. The obligor's case number (docket and page number) or social security number would also need to be added to the employer's record. Employers should be encouraged to use the case number rather than the social security number.

Each time the payroll was processed, an ACH file would be created by the employer as it normally is for the direct deposit of payroll or as part of a deduction process.

The ACH file would be transmitted to the employer's servicing financial institution. That financial institution would initiate the ACH transaction that would result in the Clerk's office's account being credited with the specified amount. The Clerk's office's account would be credited on the second working day following the employer's transmission to their bank. Since most employers begin the process early enough for employee's accounts to be credited on the day payroll checks are issued, this would result in the Clerk's office being credited with the receipt on the same day that, in the current process, the employer is mailing the child support check.

The Clerk's office would receive a record of the transactions on its daily account statement (or a list accompanying the statement) showing a separate payment for each employee affected. Each item on the statement would include the amount and the case number for the obligor or social security number.

The Clerk's office would still have to key-enter the receipts and account numbers from the account statement (or a list accompanying the statement). The Clerk's office may require more complete information about payments received, including such key elements on the obligor's name. The financial institution could provide the Clerk's office with a daily listing of the complete ACH record information for each payment received. This listing could be delivered to the Clerk's office in the form of a hardcopy report provided with the daily account statement or as a file transmission to a PC at the Clerk's office.

Summary of Improvements

The primary benefit of this process for employers is that it eliminates the time and expense of preparing and sending a check and or payment listing each payroll period. The Clerk's office's benefits from not having to physically deposit the checks. The receipts would still have to be key entered from the bank statement, until an automated interface could be arranged. The obligee should receive child support payments sooner because the employer would time the submission of the EFT data so that the deposit to the agency's account would occur on the date the check would normally be mailed by the employer.

Summary of Impacts

Hardware

None

Software

The county may wish to modify the receipting system to note a "direct deposit" payment so that the payment to the obligee will not be held and so that an audit trail is provided.

The financial institution will provide the Clerk's office with obligor payment information by transfer of data on a report list and daily bank statement.

Operational

Since this system will still require the manual entry of payment information, staff time will not be reduced until implementation of the new system allows automated entry of receipts. There will be some time economies realized by not having to make a deposit of the checks from these employers.

Organizational

This system should be managed by the Clerk's office.

REQUIREMENTS

Functions

This system will be required to perform the following functions:

Provide notice of payments from employers that are direct deposited into County's account.

Notice of payment can be provided in several ways:

In the preferred method, the financial institution would provide the Clerk's office with a report containing a list of the ACH records that were processed each day. This report would then be used by Clerk's office staff at an existing CRT to access the exiting child support collection system and input each obligor's payment. This process appears to be easily accommodated by the financial institution.

Alternatively, notice of payment could be provided by transfer of data from the financial institution's personal computer to a personal computer that resides in the Clerk's office. This would be accomplished utilizing standard personal computer file transfer software (Xmodem). The file that would be transmitted to the Clerk's office would contain an ACH formatted record containing detail on each obligors' payment that originated from an employer's payroll system which was deposited to the Clerk's office's account at the financial institution.

At a very minimum the daily account statement would provide notice of payment. The statement would contain sufficient information necessary to inquire into the exiting child support collection system to determine the case number that the entry represents. This document would be provided by the financial institution acting as the receiver of the ACH entries originating from the obligor's employer. Information contained on the bank statement would be:

Obligor's Employer's Name
Company Entry Description
Amount of Payment
Individual Identification Number (which will be either social security number or case number)

Performance

Accuracy

Employers must help identify the type of information the ID number field of the ACH record contains. An alpha character in the first position of the field could be used to distinguish a case number from a social security number. This would help the data entry operator to be sure that the payment is being credited to the appropriate case.

Inputs and Outputs

Inputs

Input into the system would be a manual entry of the payment information supplied by the financial institution into the

existing receipting process. Information that would be on the activity report is listed below:

Company Batch Header

Reference Appendix A for record format

Entry Detail Record (PPD)

Reference Appendix A for record format

Output

Output from the system would be the following:

Since the information is being manually entered into the existing receipting system, the output of the the system would be the same output that currently exists.

Failure Contingencies

Backup

None required.

Fall Back

None required.

Recovery and Restart

None required.

Documentation

The following documentation should be produced and become an inherent part of this system:

User's Manual containing information on a detail level of all reporting, reconciliation procedures and exception processing.

General and Detail Design documents which may be produced to modify the receipting system to note payment type or which may be produced at a future date for automated update of the receipting system by electronic data transmission from the financial institution.

OPERATING ENVIRONMENT

Equipment

No specific equipment required.

Support Software

No specific software required.

Interfaces

No interfaces required.

Controls

Since this is a manual system, no systematic controls are necessary. The staff should reconcile the bank statement to the list provided by the financial institution prior to receipting the payments.

AUTOMATIC WITHDRAWAL FROM OBLIGOR CHECKING ACCOUNTS

GENERAL INFORMATION

Nature of the System

Despite the growing use of income withholding, most obligors currently mail or personally deliver their payments by check to the Douglas County Clerk of the District Court (hereafter referred to as Clerk). An alternative to this method of payment is for the obligor to agree to have his/her child support payment automatically withdrawn from his/her checking account each month (or each week if appropriate) and deposited to the Clerk's account for distribution to the appropriate obligee.

Environment

Iowa and Nebraska are being used as case studies to assess the applicability of EFT technologies to child support. This document is sponsored by the Iowa-Nebraska Electronic Funds Transfer Project.

OVERVIEW

Purpose and Scope of the System

The process of withdrawing funds automatically from obligor accounts could be initiated by each county court clerk in the State of Nebraska individually or by the State Child Support Enforcement Office. For the purpose of this project, the automatic withdrawal process will be initiated by the Douglas County Clerk of the District Court.

The scope of this document is to define the requirements for pre-authorized automatic withdrawal of payments on a monthly or more frequent periodic basis as well as allow for obligor initiated withdrawal through an ARU.

Performance Objectives

Obligors:

Automatic withdrawal offers the obligor the convenience of automatic payment as well as protection against forgetting to make the payment. Automatic withdrawal initiated through an ARU will allow the obligor to manage his checking account more closely and determine which day the withdrawal is made. This eliminates the check writing process but continues to allow the obligor a way to manage his checking account balance.

Clerk's Office:

A primary benefit of automatic withdrawal for the Clerk's office is the reduced manual effort in processing incoming paper checks. The most significant hurdle in implementing the automatic withdrawal program is gaining adequate voluntary participation among obligors. Many obligors are uncomfortable with automatic withdrawal since they cannot be sure their account will have enough funds to cover an automatic withdrawal every month on the same day. This system allows obligors the option of determining which day the withdrawal is made by calling an ARU. The features of this system should encourage a significant level of obligor participation.

Existing Methods and Procedures

The county currently does not offer Automatic withdrawal either monthly or through an ARU.

Proposed Methods and Procedures

Obligors will sign up for an automatic withdrawal that occurs on the same day each month or they will call an audio response unit (ARU) and, through a tone-generating telephone, enter the amount of payment and effective date. All other receipting methods and procedures will remain the same. Since the operation of the new system will not be completed by pilot operation of this system. Project may need to be allocated for these modifications.

Summary of Improvements

The primary benefit of this process for obligors is that it eliminates the time and expense of preparing and sending a check while providing the option of managing the account balance. The Clerk's Office benefits from not having to physically deposit the checks. The receipts would still have to be manually entered until an automated interface could be arranged.

Summary of Impacts

Hardware

The same ARU that will be used to process credit cards will be utilized for this application.

Software

A data base will be required on the PC supporting the ARU. This data base will require the following elements:

- Case Number
- Case Name
- Access Code
- Payment Amount
- Bank Routing and Transit Number

Checking or Savings Number
Account Type
Pre-authorization Date
Case Type (Indicator for Child Support vs. Alimony)

A PC-based software package from a financial institution will be required to perform the monthly pre-authorized payments and to process the ARU payments.

A customized ARU application will need to be developed and integrated with the credit card application.

A Daily Transaction Report will need to be created on the PC to document daily activity. This report should contain the following information for each transaction:

Transaction Date
Transaction Time
Case Number
Case Name
Bank Account Number
Account Type
Payment Amount
Total Number of Payments
Total Dollars of Payments

Operational

Since this is a payment method not currently utilized by the county, additional administrative effort will be required. However, as transaction volumes increase, the effort required to deposit checks may decrease as these payments are replaced by automatic withdrawals.

Organizational

Additional staff time and expense will be required to set up the system, obtain authorizations from the obligors, and submit transactions to the financial institution.

REQUIREMENTS

Functions

Pre-authorized automatic withdrawals would work as follows:

The Clerk's office would first obtain a form from the obligor authorizing it to charge his/her account each month for the payment amount. Each day, the Clerk's Office would present to its financial institution a file of those accounts to be charged. This would be accomplished utilizing a PC-based software package provided by the financial institution. This file would also contain the transactions that were initiated through the ARU.

Since the ARU system will coexist on the PC with this system and ARU transactions will be merged with the pre-authorized transactions, the ARU will have to be taken off-line prior to this processing.

The cashier will initiate a receipting transaction for each automatic withdrawal charge as is done currently with cash or check payments. The funds for the automatic withdrawal charges will be deposited into the county's account and will be reflected on the daily account statement. Detail reports will be provided from the software package to document the transactions and confirm the total deposit amount.

The obligor initiated payments system would perform the following functions:

Allow an obligor to call an ARU through a tone-generating telephone and authorize the Clerk's office to originate a charge to a pre-authorized checking or savings account.

Processing of ARU-originated payments in the same manner as pre-authorized monthly payments.

The ARU would function as an operator obtaining required information necessary for the acceptance of a payment. The following represents a sample script for the ARU:

"Welcome to the Douglas County Automated Collection System."

"Please enter your case number." The ARU will then access a data base that resides on the PC to determine if the case number has been pre-authorized.

"Please enter your access code." The ARU will then compare the access code entered with the ACCESS CODE field on the data base screen and continue if a match is found, otherwise, the ARU will speak "invalid ACCESS CODE, please reenter". If the obligor makes several incorrect attempts, the ARU will terminate the call.

"The amount of your payment is '\$400.00' (from the pre-authorized amount in the data base). Is this correct? Press 1 for yes or 9 for no."

If Yes, the ARU will move to the next prompt.

If No, the ARU will speak "please enter the amount you would like to pay. Enter the dollar and cents separately. Enter the dollars you would like to pay and press the pound sign. Enter the cents you would like to pay and press the pound sign. You have entered '\$350.00'. Is this correct? Press 1 for yes or 9 for no".

"You have requested a payment of '\$400.00' applied to your pre-authorized checking or savings account. Press 1 for yes or 9 for no."

If yes, the ARU will speak "thank you for making your payment through the Douglas County Automated Collection System".

If no, the ARU will return to the prompt after "ACCESS CODE" verification.

These payments would then be merged into the batch file that is transmitted daily to the financial institution. A Daily Transaction Report should be run to provide detailed information pertaining to each day's ARU activity. This report will contain sufficient information to manually process the payments, if necessary, by adding them individually to the ACH batch file.

Performance

Accuracy

As the data base is created, it is important to ensure that the automatic withdrawal numbers being input are accurate. The system will automatically generate a prenotification for each account that is set up.

The "ACCESS CODE" field should not be allowed to be given over the telephone. It will be important to inform obligors of the importance of maintaining the confidentiality of this code.

Flexibility

The system should be designed to support additional case types for future expansion of this collection system.

Inputs and Outputs

Inputs

Authorization forms must be kept on file according to the requirements of the financial institution.

Rejected items will be returned just like rejected or NSF checks. The county will have to reverse the receipting entry when this occurs.

Outputs

The ARU will produce a file for input into the software program provided by the financial institution for obligor-initiated automatic withdrawal payments.

The following reports will need to be generated on the PC for settlement and Reconcilement:

- Daily Transaction Report reflecting ARU activity
- Daily Activity Report provided by the financial institution software program to report transactions initiated and deposit amounts.

Input into the receipting system would remain the same as is currently being performed for cash or checks. The county may wish to identify a new payment type of automatic withdrawal to the existing collection system which has an automatic two day delay in warrant processing to allow for deposit of funds.

FAILURE CONTINGENCIES

Backup

The software on the ARU should be backed up as a contingency if failure of the ARU occurs and a replacement is required.

The PC program should contain an automatic backup for protection of the data base. This could be done on diskette until such a time that the data base grows and a tape backup unit would be less time consuming.

Fall Back

Customer service can originate automatic withdrawals requested if the ARU is unavailable. If the PC is unavailable, it must be repaired or replaced prior to the batch processing function occurring and the transmission occurring to the financial institution.

Recovery and Restart

The system should not allow the same automatic withdrawal payments to be transmitted on consecutive days. The system should allow for credits to be processed should an error occur and an improper automatic withdrawal charge be processed.

OPERATING ENVIRONMENT

Equipment

Audio response unit operating on an IBM or IBM-compatible personal computer

Dot matrix printer for personal computer

300 baud modem for personal computer

Support Software

Software provided by the selected financial institution which provides functionality for batch processing of automatic withdrawal payments.

Software provided by the ARU manufacturer which provides initial functionality for obligor initiated withdrawals.

Interfaces

Single interface to financial institution which is provided by software package supplied by financial institution.

Controls

The system should be designed to limit the possibility that a previous transmission to the financial institution could be duplicated.

Documentation

The following documentation should be produced and become an inherent part of this system:

Operations manuals for the ARU system and PC system.

Operations manual for software program provided by financial institution for the automatic withdrawal system.

User's Manual containing information on a detail level of all reporting, reconciliation procedures, and exception processing.

CHARGES TO OBLIGOR CREDIT CARD ACCOUNTS

GENERAL INFORMATION

Nature of the System

Accepting credit card payments from obligors has the primary advantage of offering obligors an alternate means of remittance that may increase the likelihood of consistent payment. Credit card payments can be accepted in the form of walk-in payments in the same manner that credit cards are used to make store purchases, or in the form of prior authorization given by obligors to automatically charge to their credit card accounts at specified times in specified amounts. Credit cards accepted for walk-in payments would be processed through a point-of-sale device or terminal to obtain authorization through the credit card processor and perform settlement with the appropriate processor for the daily transactions. For prearranged periodic charges, the county would periodically submit to the processor or financial institution an electronic file of credit card charges. These items are also processed on a daily basis and therefore, meet the need for immediate settlement and availability of funds.

OVERVIEW

Background, Purpose and Scope of the System:

Currently, the only forms of payment accepted by the Douglas County Clerk of the District Court (hereafter referred to as Clerk) are checks, money orders, cash or cashier's checks. Credit cards could be an alternate form of payment accepted in three ways:

- As an additional form of payment accepted at the cashier's window of the Clerk's office,

- As a prearranged periodic charge to the obligor's credit card (which would not require the physical card to be present),

- As an obligor-initiated charge recorded by an audio response unit (ARU).

The scope of this document is to define the necessary processes and materials needed to implement credit card acceptance, remittance and settlement via electronic means in order to expedite obligor payments. This document assumes that receipting of the obligor payment would be handled the same as it is with cash or check.

This document assumes that the MasterCard and Visa bankcards are the only cards accepted for payment. The term "credit card" is used throughout this document to reference these two bankcards.

Performance Objectives

Obligors:

Credit card acceptance offers the obligor an alternative payment method that may be more convenient and easier to manage than cash or check payment. Prearranged charges offer the obligor the convenience of automatic payment as well as protection against forgetting to make the payment. Credit card payment initiated through an ARU allows the obligor the additional convenience of being able to determine the effective date of the charge.

Clerk's Office:

Allowing payment by credit card may secure payment from obligors who would not otherwise pay consistently and help the Clerk's office provide payments for more obligees. The prearranged credit card process would reduce the administrative work for the Clerk's office of processing and depositing checks.

Existing Methods and Procedures

Since the Clerk's office currently does not employ the acceptance of credit cards for child support payments existing methods or procedures do not apply.

Proposed Methods and Procedures

Credit card payments at the cashier's window would work as follows:

The obligor would present his/her credit card to the cashier, who would utilize a point-of-sale (POS) terminal for the execution of the transaction. The clerk would slide the credit card through the terminal's credit card reader, enter the dollar amount of the payment being collected, and press the "enter" key. Within twenty to thirty seconds the terminal will respond with an authorization code completing the transaction. At the end of the day, the cashier would balance the terminal and initiate the settlement process.

Prearranged periodic credit card charges would work as follows:

The Clerk's office would obtain a form from the obligor authorizing it to charge his/her account each month for the payment amount. Each day the Clerk's office would present to its processor or financial institution a file of those accounts to be charged. As with the automatic withdrawal

process, some administrative effort will be involved initially in handling applications and authorization forms. The daily process of producing files to initiate the charges will require a small amount of time.

Credit card charges initiated by an obligor accessing an ARU would work as follows:

The process for handling ARU-initiated transactions would be very similar to that for handling monthly prearranged charges. However, the charge would not be initiated until the obligor accessed the ARU through a tone-generating telephone, input his/her case number and access code and answered several questions, authorizing the Clerk's office to charge the payment to the credit card. The charge would then be merged with the prearranged credit card charges and transmitted to the processor or financial institution for settlement.

Each financial institution and/or processor has specific guidelines and processing procedures. POS terminals are generally easy to install and operate. Terminals are self prompting for easy input of information. No minimum number of transactions is required.

Transmission of prearranged periodic charges for batch processing is more involved and most processors require a minimum number of transactions (200) per deposit. Variables such as speed of data transmission and format of transaction information should be researched during processor selection. Although batch processing is more complex to implement, it actually is quite economical after transaction volumes have increased.

Due to the minimum daily transaction volumes and higher initial expense involved with batch processing, it may be practical to initially process all credit card transactions through the POS terminal. Prearranged periodic charges could be maintained by a "tickler" file system that grouped obligor credit card information by the date that payment is to be initiated. Each day, the appropriate file could be printed so that the charges could be entered into the POS terminal. Likewise, the ARU-initiated charges for that day could be entered into the POS terminal.

Summary of Improvements

Accepting credit card payments offers the obligor an alternative payment method which may increase the likelihood of consistent payment. Prearranged periodic charges make the funds available soon after the court-ordered due date. Electronic transaction processing reduces the time required to prepare deposits.

Summary of Impacts

Hardware

An ARU will need to be acquired. The ARU should be designed to operate on an IBM compatible personal computer so that the credit card software could also be resident and utilized for processing. The ARU can be shared with the automatic withdrawal application.

A POS terminal will need to be installed by the selected processor or financial institution. This device will be used to authorize credit card payments accepted at the cashier's window as well as pre-authorized credit card payments until such time that a batch processing system is appropriate.

The PC must support a 300 baud modem and a printer.

A standard dot matrix printer will be required for reporting of ARU activity.

A 300 baud modem will be required for transmitting the credit card batch file (if used) to the processor or financial institution.

Software

A data base will be required on the PC supporting the ARU. This data base will require the following elements:

- Case Number
- Case Name
- Access Code
- Payment Amount
- Credit Card Number
- Credit Card Expiration Date
- Pre-authorization Date
- Case Type (Indicator for Child Support vs. Alimony)

A PC based software package from the selected processor or financial institution will be required to perform the monthly pre-authorized payments and to process the ARU payments. If volume is limited, a "tickler" file system could be utilized and these payments processed through the POS terminal.

A customized ARU application will need to be developed.

A Daily Transaction Report will need to be created on the PC to document daily activity. This report should contain the following information:

- Transaction Date
- Transaction Time
- Case Number
- Case Name
- Credit Card Number
- Credit Card Expiration Date
- Payment Amount
- Total Number of Payments
- Total Dollars of Payments

Operational

Since this is an additional payment method not currently utilized by the Clerk's office, the payment process may be slower than handling checks, leading to somewhat longer lines at the cashier's window and an increase in the daily balancing effort.

Organizational

Additional staff time and expense will be required to set up the system, obtain authorizations from the obligors, and submit transactions to the processor.

REQUIREMENTS

Functions

Credit card payments made at the cashier's window would work as follows:

The selected processor or financial institution would install a POS terminal in a convenient location at the cashier's counter. This terminal would have a printer attached.

The obligor would present his/her credit card to the cashier, who would utilize a POS terminal for the execution of the transaction. The clerk would slide the credit card through the terminal's credit card reader, enter the dollar amount of the payment or payments being collected, and press the "enter" key. Within twenty to thirty seconds the terminal will respond with an authorization code from the processor, completing the transaction. The POS terminal printer would print a two-part receipt for the obligor to sign. The obligor would receive one copy and the other would be retained by the cashier. For each authorization received, the cashier would enter the receipt into the child support receipting system.

At the end of the day, the cashier would total the number of transactions and the dollar amount of those transactions from the receipts on hand. The cashier would then compare these totals with those recorded by the POS terminal and the processor. When all totals agree, a settlement transaction would be initiated to confirm the deposit amount. Funds will be deposited into the Clerk's account within one to three days and will be reflected on the daily account statement.

Prearranged periodic credit card charges would work as follows:

The Clerk's office would first obtain an authorization form from the obligor to charge his/her account each month for the payment amount. Initially, the daily transaction volume will be too low to make batch processing practical. Charges authorized for a given day of the month would be recorded in a common file on the PC. On the appropriate date, these records would be printed for a cashier to manually enter into the POS terminal. Charges received that day through the ARU would also be printed for entry into the POS terminal.

As transaction volume grows, a PC-based batch processing system could be obtained from the selected processor or financial institution. Then each day the Clerk's office would present to its processor or financial institution a file of those accounts to be charged. This file would also contain the transactions that were initiated through the ARU.

Since the ARU system will coexist on the PC with this system and ARU transactions will be merged with the pre-authorized transactions, the ARU will have to be taken off-line prior to the batch processing. When POS terminal processing is used, the PC will have to be taken off-line only while the files are being printed.

The cashier will perform the normal receipting procedure for each credit card charge as is done with cash or check payments. Funds may need to be allocated for system modifications for automated receipting once the new system is live.

The funds for the credit card charges will be deposited into the clerk's account within one to three days and will be reflected on the daily account statement. Detail reports will be provided from the software package to document the charges and confirm the total deposit amount.

The obligor-initiated payment system would perform the following functions:

Allow an obligor to call an ARU through a tone-generating telephone and authorize the Clerk's office to originate a charge to a pre-authorized credit card.

Process ARU originated payments the same as pre-authorized monthly payments.

The ARU would function as an operator obtaining required information necessary for the acceptance of a payment. The following represents a sample script for the ARU:

"Welcome to the Douglas County Automated Collection System."

"Please enter your case number." The ARU will then access a data base that resides on the PC to determine if the case number has been pre-authorized.

"Please enter your access code." The ARU will then compare the access code entered with the ACCESS CODE field on the data base screen and continue if a match is found, otherwise, the ARU will speak "invalid ACCESS CODE, please reenter". If the obligor makes several incorrect attempts, the ARU will terminate the call.

"The amount of your payment is '\$400.00' (from the pre-authorized amount in the data base). Is this correct? Press 1 for yes or 9 for no."

If Yes, the ARU will move to the next prompt.

If No, the ARU will speak "please enter the amount you would like to pay. Enter the dollar and cents separately. Enter the dollars you would like to pay and press the pound sign. Enter the cents you would like to pay and press the pound sign. You have entered '\$350.00'. Is this correct? Press 1 for yes or 9 for no".

"You have requested a payment of '\$400.00' applied to your pre-authorized credit card. Press 1 for yes or 9 for no."

If yes, the ARU will speak "thank you for making your payment through the Douglas County Automated Collection System".

If no, the ARU will return to the prompt after "ACCESS CODE" verification.

A Daily Transaction Report should be run to provide detail information pertaining to each day's activity. This report will contain sufficient information to manually process the payments with the POS terminal, if desired. Otherwise, these payments would then be merged into the batch file that is transmitted daily to the processor or financial institution.

Performance

Accuracy

As the data base is created, it is important to ensure that the credit card numbers being input are accurate. A "pre-auth" transaction for \$1.00 should be performed on the POS terminal for each credit card as it is being set up on the data base. This transaction will ensure that each card is valid and the information provided is correct. A "pre-auth" transaction will not affect settlement totals, will not actually transfer any funds and will not be reported on the obligor's credit card account statement.

Flexibility

The system should be designed to support additional case types such as alimony for future expansion of this collection system.

Inputs and Outputs

Inputs

Authorization forms and POS terminal receipts must be kept on file according to the requirements of the processor or financial institution.

When the batch transmission file is sent to the processor or financial institution for pre-authorized or ARU-initiated credit card payments, rejected charges will automatically be returned to the PC. The Clerk's office will have to reverse the receipting process when this occurs.

Outputs

The ARU will produce a file for input into the software program provided by the processor or financial institution for obligor-initiated credit card payments.

The following reports will need to be generated on the PC for settlement and Reconciliation:

- Daily Transaction Report reflecting ARU activity,

- Daily Activity Report provided by the processor's software program to report the charges that were accepted and deposited.

Input into the receipting system would remain the same as is currently being performed for cash or checks. The county may wish to identify a new payment type of credit card to the existing collection system which has an automatic two day delay in warrant processing to allow for deposit of funds.

FAILURE CONTINGENCIES

Backup

The software on the ARU should be backed up as a contingency if failure of the ARU occurs and a replacement is required.

The PC program should contain an automatic backup for protection of the data base. This could be done on diskette until such a time that the data base grows and a tape backup unit would be practical.

Processors and financial institutions offer voice authorization should the POS terminal fail. This would allow the payment to be authorized by the processor's customer service operator. The transaction could be completed once the terminal has been repaired or replaced.

Fall Back

If for any reason the ARU and PC fail, the Clerk's office has sufficient information on hand to manually create a paper draft which can be deposited at the financial institution. This procedure, although cumbersome, will allow payments to continue to be made.

Recovery and Restart

The batch processing system should not allow the same credit card payments to be transmitted on consecutive days. The system should allow for credits to be processed should an error occur and an improper credit card charge be processed.

Documentation

The following documentation should be provided and become an inherent part of this system:

- Operations manual for ARU system, PC system, and POS terminal.

- Operations manual for the batch processing software program provided by the selected processor or financial institution.

- User's Manual containing information on a detail level of all reporting, reconciliation procedures, and exception processing.

- General and Detail Design documents which are produced to develop this system.

OPERATING ENVIRONMENT

Equipment

Audio response unit operating on an IBM or compatible personal computer

Point-of-sale terminal and printer

Dot Matrix printer for personal computer

300 baud modem for personal computer

Support Software

Software provided by processor or financial institution which provides functionality for batch processing of credit card payments.

Software provided by ARU manufacturer which provides initial functionality.

Interfaces

Single interface to financial institution or processor which is provided by software package.

Controls

The system should be designed to limit the possibility that a previous transmission to the processor or financial institution could be duplicated.

III.

Pilot Project Workplan

The following represents a suggested workplan for the implementation of the Nebraska EFT pilot project. This workplan is divided into 6 components with an estimated project month duration identified for each component. Each component is described below.

Project Initiation - (PI) - This phase is utilized for procurement of the project implementation management vendor and for market research, final project definition and contract execution.

Phase 1 (DESIGN) - (P1) - This phase of the project is utilized for definition of requirements and identification of delivery dates, relevant options and issues to be considered for the successful implementation of this project.

Phase 2 (DEVELOPMENT) - (P2) - Upon completion of the Design phase, the Development phase begins. This phase consists of the following elements:

- Conversion Requirements
- System Programming Requirements and Software Modification
- Unit Test Requirements and Testing
- System Testing Requirements and Testing
- Documentation Requirements and Creation
- User Training Procedures and Plan
- Installation Checklist Documentation

Phase 3 (IMPLEMENTATION) - (P3) - This phase is utilized for the final completion of all documentation, training of users, and preparation of physical environment.

Phase 4 (OPERATION) - (P4) - This phase includes initial operation of the pilot system, development of evaluation criteria and evaluation of the system.

Project Evaluation - (PE) - This phase allows for the creation of the final project evaluation report to the State and for on-going maintenance of the system.

Included with this workplan is a detail list of activities and deliverables. Each task description is identified with the two digit acronym which is defined above for each component, i.e., PI, P1, P2 etc.

PILOT PHASES

INITIATION
2 1/2 MONTHS

Month 1 Month 3
└──────────┘
P0

PHASE 1 DESIGN
1 1/2 MONTHS

Month 3 Month 4
└──────────┘
P1

PHASE 2 DEVELOPMENT
2 MONTHS

Month 4 Month 6
└──────────┘
P2

PHASE 3 IMPLEMENTATION
1 MONTH

Month 6 Month 7
└──────────┘
P3

PHASE 4 OPERATION
ONGOING

Month 7
└──────────┘
P4

PROJECT EVALUATION

Month 12
└──────────┘
P5

ACTIVITIES AND DELIVERABLES

<u>Task #</u>	<u>Task Description</u>
1.	PI - Select Vendor for Implementation Management Project Implementation
2.	PI - Perform Market Survey Employers Obligors/Obligees
3.	PI - Execute Contract
4.	P1 - Vendor/Douglas County Planning Meeting
5.	P1 - Evaluate Market Survey Results
6.	P1 - Vendor Completes Systems Specifications
7.	P1 - Douglas County Receives/Reviews Systems Specifications
8.	P1 - Meeting to Finalize Systems Specifications
9.	P1 - Vendor Submits Final Systems Specifications Document
10.	P1 - Douglas County Receives Status Report
11.	P1 - Douglas County Approves Final System Specifications Document
12.	P2 - Complete System Design Document
13.	P2 - Select Vendor for Hardware and Software
15.	P2 - Develop/Modify Reports
17.	P2 - Receive Hardware Defined in Specifications
18.	P2 - Develop/Modify ARU System Software
19.	P2 - Draft Financial Institution Settlement Guide
20.	P2 - Draft Client Application

<u>Task #</u>	<u>Task Description</u>
21.	P2 - System Unit Testing Begins
22.	P2 - Douglas County Receives Status Report
23.	P2 - Formalize Employer Participation
24.	P2 - Finalize Financial Institution Settlement Guide
25.	P2 - Finalize Client Application
27.	P2 - Draft Douglas County Report Manual
28.	P2 - Draft Douglas County User Manual
29.	P3 - Mail Douglas County Client Application
30.	P3 - Finalize Administrative Terminal Training Guide
31.	P3 - Finalize Douglas County Report Manual
32.	P3 - Finalize Douglas County User Manual
33.	P3 - Open Financial Institution Clearing Account (If Necessary)
34.	P3 - Evaluate Staff Requirements
35.	P3 - Verify Financial Institution Clearing Account Is Open
36.	P3 - Hire Staff as Required
37.	P3 - Complete Training Documentation and Materials
38.	P3 - Verify Billing Process for Douglas County
39.	P3 - Douglas County Approves Training Material
40.	P3 - Hire Voice for ARU
41.	P3 - Train Trainers
42.	P3 - Perform Financial Institution Settlement Training
43.	P3 - Complete Douglas County Settlement Training
44.	P3 - Translate ARU Vocabulary to Additional Language if Required
45.	P3 - Perform Douglas County User Training

<u>Task #</u>	<u>Task Description</u>
46.	P3 - Complete System Unit Test
47.	P3 - Order Equipment
48.	P3 - Order Communication Lines
49.	P3 - Vendor Performs Integrated System Test
50.	P3 - Douglas County/Vendor Performs User Certification Test
51.	P3 - Install Communication Lines
52.	P3 - Install Equipment
53.	P4 - Douglas County Receives Status Report
54.	P4 - Vendor Assists with Project Evaluation Criteria
55.	P4 - Process Client Applications
56.	P4 - System Goes Live
57.	P4 - Vendor/Douglas County Monitors Reports Daily
58.	P4 - Vendor Provides Continual Customer Support
59.	P4 - Vendor/Douglas County Monitor & Evaluate System Performance
60.	PE - Vendor Participates in Final Evaluation
61.	PE - Provide On-Going Maintenance

SECTION IV.

COST BENEFIT SUMMARY

This section summarizes the major costs and benefits of each of the selected EFT applications for child support collection and distribution. As there are yet several choices to be made in the implementation of this project, all the costs and benefits cannot be fully estimated. Of particular note are the costs for modifications to the ICAR system. Internal cost estimates can be generated as system elements are more fully defined.

Some cost elements depend on the specific hardware and software items selected. These costs can be determined as proposals are solicited from vendors.

Finally, there will be additional costs associated with implementation management and installation assistance. These will include costs for both State staff and the implementation management vendor.

Given the options and uncertainties, no attempt was made to compute a total cost for the project or a formal cost/benefit ratio. This will become more clear during the early phases of the pilot project and will be a part of the formal pilot project evaluation.

DIRECT DEPOSIT OF EMPLOYER INCOME WITHHOLDING

For employers involved in income withholding, there are several advantages of doing so by direct deposit:

Direct deposit eliminates the time and expense of preparing and sending checks to the CSC for each payroll period. For those employers who send a check for each employee, the cost savings could be substantial.

Similarly, direct deposit eliminates the time and expense of preparing and sending to the CSC a listing of employees for whom the payment should be applied. The savings would vary by employer according to the number of employees with income withholding and the current administrative procedures used by the employer.

Once an employee's child support payment is set up on the payroll system, the employer need take no further action unless the child support amount is changed.

The CSC and obligees benefit from the direct deposit of income withholding in the following ways:

The payments would be credited to the CSC's account precisely on the payroll date, avoiding the current five days or so that elapse while the employer's payroll personnel prepare the list of employees, write the check, and send the payment through the mail to the CSC.

The funds would be automatically deposited into the CSC's account, saving the staff time required to physically deposit these items.

The payments could be automatically recorded in the ICAR system and reduce the staff time required to manually enter the payments.

The costs for employers are minimal. They would be charged a fee by their bank of approximately \$.06 to \$.08 per direct deposit. For those employers who send a check for each employee, they would save the cost of generating each check. If the employer made a separate transmission to their bank (apart from the payroll direct deposit transmission), they would be charged a fee of approximately \$10-\$25 per transmission. These costs would likely be outweighed by the convenience and time savings from reduced administrative work in handling the payments through ACH.

For the CSC, the costs would be \$.20 per payment received. The financial institution charges \$.20 per deposit credit, regardless of size or the number of items included in the deposit. Unlike deposits of checks, which may have many payments recorded on a single deposit, each direct deposit payment results in a separate credit recorded in the account.

This deposit cost will not be a significant initially, since the number of transactions will be small. However, as volume grows, this cost will become substantial. The potential may exist for the financial institution to price electronic deposits separately from other deposits to appropriately reflect the lower cost of receiving electronic items.

As described in the system specifications, several options exist for receiving payment information from the financial institution and formatting it for input in to the ICAR system. The hardware and software required for receipt of payment information by tape transfer are understood to be available. If an existing bank relationship is used, no incremental costs for tape transfer would be incurred. Otherwise, a tape or transmission fee of approximately \$100 per month would likely be incurred. Receipt of payment information by transmission would also require modem capabilities of either the mainframe computer or a PC.

If the payments are manually entered into the ICAR system, as income withholding payments are currently, no cost impact will result. However, automated update of the ICAR system would require an investment in programming to yield administrative time savings. Internal cost estimates for programming need to be prepared for the selected input option.

AUTOMATIC WITHDRAWAL FROM OGLIBOR CHECKING ACCOUNTS

The CSC currently offers obligors the convenience of automatic withdrawal. Obligor save the time and expense of writing checks while eliminating the possibility of forgetting to make a payment. Obligor-initiated withdrawal made by accessing an ARU would provide the obligor with the additional convenience of being able to time the payment to better manage his checking account balance. Obligees benefit by receiving payment earlier and more regularly. Withdrawals are submitted so that the funds are available to the CSC precisely on the due date specified by the court order. This avoids the mail delays that occur when obligors mail their payments on the date due or soon after.

For the CSC, the administrative work of processing and depositing these payments is eliminated. The automatic withdrawal process automatically updates the ICAR system for the receipts initiated. No costs are incurred by either the obligor or obligee for this process.

The CSC incurs the following costs for operating the automatic withdrawal process:

Tape charges	A maximum of \$150 per month
Transaction fees	\$.06 per transaction (approximate)

Additional costs are incurred for printing and mailing the applications and for staff time for setting up and maintaining the records on the system.

The costs to the CSC for obligor-initiated withdrawals utilizing an ARU would be as follows:

ARU hardware, software, and installation	\$28,000 (approximate)
Monthly licensing and maintenance for hardware and software	\$300 per month (approximate)
Telephone lines	\$100 each for installation \$ 50 per month
ARU programming and voice recording	\$16,000 (approximate)

Actual costs and system configuration will depend on the ARU system chosen and the volume of calls received. ARU programming costs, based on a rough estimate of 40 person-days of work, will vary with the ARU system chosen and the complexity of the interface with the ICAR system. The amounts noted for telephone lines are customary rates. The CSC may be able to obtain more favorable pricing. Internal costs will also be incurred for the ICAR system modifications described in the system specifications.

DIRECT DEPOSIT TO OBLIGEE CHECKING ACCOUNTS

The CSC currently offers obligees the convenience of direct deposit. The obligees no longer need to wait for the check to come in the mail and then take the check to the bank to deposit it. Additionally, their funds are available within one day after payment is initiated by the CSC. This time compares favorably to the approximately four days it takes for mail delivery and deposit of checks.

The direct deposit approach offers potential savings to the CSC of approximately \$.2674 per transaction by avoiding the following costs for warrant production:

Warrant stock	\$.02
Bank charge for warrant redemption	.015
Postage	.21
Envelope	<u>.0224</u>
Total	\$.2674

Currently, the CSC saves only the \$0.015 for warrant redemption since a deposit notice is still printed (similar to the cost of printing a warrant) and sent to all direct deposit obligees. If an ARU were made available to obligees, they could call to determine if payment had been made and may not require a deposit notice. This would allow the CSC to realize the full \$.2674 savings available.

The CSC's expenses involved in the direct deposit process include the following:

Tape charges	A maximum of \$150 per month
Transaction fees	\$.16 per transaction (24-hour turnaround)

Additional costs are incurred for printing and mailing the applications and for staff time for setting up and maintaining the records on the system.

The costs to the CSC for obligee inquiries utilizing an ARU would be as follows:

ARU hardware, software, and installation	none additional to obligor-initiated automatic withdrawal system
Monthly licensing and maintenance for hardware and software	none additional to obligor-initiated automatic withdrawal system
Telephone lines (if needed)	\$100 each for installation \$ 50 per month
ARU programming and voice recording	\$4,000 (approximate)

The cost for set up and operation of the ARU would be very small since the same ARU could be used for this application as is used for obligor initiation of withdrawals from checking. Actual costs and system configuration will depend on the ARU system chosen and the volume of calls received. ARU programming costs, based on a rough estimate of 10 person-days of work (incremental to development of the obligor-initiated withdrawal ARU application), and will vary with the ARU system chosen and the complexity of the interface with the ICAR system.

Additional phone lines may also be required depending on the volume of calls received, particularly if all obligees are notified of the ARU availability. If more than four telephone lines are used, additional ARUs would be required as well. Incremental ARUs could be obtained at a slight discount and additional programming effort would be negligible.

Additional costs will be incurred to make the system changes noted in the system specifications section. Internal estimates of the costs are needed. System changes were also specified to make possible the concurrent automatic withdrawal and direct deposit of payments. These will also need to be costed internally.

CHARGES TO OBLIGOR CREDIT CARD ACCOUNTS

Prearranged charges to obligor credit cards offer more timely payment for the obligee and additional convenience for the obligor. Obligor-initiated credit card charges made by accessing an ARU would provide additional convenience for the obligor.

As indicated by the experience of other states, obligors who select this alternative are often those with poorer payment records and those who need help making the payments. The administrative costs avoided by preventing an obligor from going into arrears could help defray the transaction costs of this approach. In other words, it is much less expensive to pay the credit card fee than to initiate a court action against an obligor who is in arrears.

Charges could be submitted so that the funds are available to the CSC precisely on the due date specified by the court order. This would avoid the current average delay of about three days when some obligors mail their payment on the due date or shortly afterward.

For the CSC, the pre-authorized credit card process would reduce the administrative work of processing and depositing checks, and, with automated transfer of payment information to the ICAR system, eliminate the manual entry of information into the payment system or use of the remittance processing equipment.

Initially, when transaction volumes are low, a POS terminal or PC-based POS emulation package may be used to initiate transactions. Transaction costs for credit card charges submitted in this way would be no more than 2% of the payment amount. This would yield a charge of \$3.00 on a \$150 payment. Additional fees apply to returned items. The cost of the terminal or software is typically provided at no charge, as is initial training.

Staff time would be required for setting up and maintaining the database of obligor charges. Additional staff time would be required daily to initiate each of the transactions. To the extent that applications for credit card payment are not integrated with those for automatic withdrawal, additional costs will be incurred for printing and mailing the applications.

The costs to the CSC office for obligor-initiated charges utilizing an ARU would be as follows:

ARU hardware, software, and installation and PC	\$30,000 (approximate)
Monthly licensing and maintenance for hardware and software	\$300 per month (approximate)
Telephone lines	\$100 each for installation \$ 50 per month
ARU programming and voice recording	\$4,000 (approximate)

A separate ARU configuration is necessary for this application since the ARU for the obligor-initiated withdrawal and direct deposit/customer service inquiry applications interfaces directly with the ICAR system rather than a PC. Actual costs and system configuration will depend on the ARU system chosen and the volume of calls received. ARU programming costs, based on a rough estimate of 10 person-days of work (incremental to development of the obligor-initiated withdrawal and direct deposit/customer service inquiry ARU applications), and will vary with the ARU system chosen and the complexity of the interface with the ICAR system.

Internal costs will also be incurred for the ICAR system modifications described in the system specifications section.